

## CLAIMS

What is claimed is:

1. A method of operating a multi-level network marketing company with independent sales representatives comprising the steps of:

providing a multi-level network marketing company;

providing a tiered compensation level system for payment of said independent sales representatives, movement between said tiers being a function of productivity of said independent sales representative;

providing at one or more of said tiers an entitlement for said independent sales representatives to open a retail outlet of said network marketing company;

offering to persons who do not have an entitlement to open said retail outlet an option to open said retail outlet under a franchise arrangement, said option being conditioned upon a refusal by any qualified existing independent sales representative to open said franchise retail outlet; and

offering said opportunity to open a franchise retail outlet to said qualified existing independent sales representatives.

2. The method of operating a network marketing company recited in claim 1, wherein said network marketing company sells services.

3. The method of operating a network marketing company recited in claim 1, wherein the network marketing company sells goods.

4. The method of operating a network marketing company recited in claim 1, wherein said productivity is an increase in sales by said independent sales representatives.

5. The method of operating a network marketing company recited in claim 1, wherein said productivity is measured by the sales or other qualifications or activities of

additional independent sales representatives said independent sales representative recruited into the network marketing company's network.

6. The method of operating a network marketing company recited in claim 1, wherein said independent sales representatives are independent contractors.

7. The method of operating a network marketing company recited in claim 1, wherein said persons who do not have an entitlement to open said franchise retail outlet are entities that are not current independent sales representatives of said network marketing company.

8. The method of operating a network marketing company recited in claim 1, wherein said persons who do not have an entitlement to open said retail outlet are existing independent sales representatives of said network marketing company who have not yet reached said entitled tier of compensation.

9. The method of operating a network marketing company recited in claim 1, wherein said option is geographically limited.

10. The method of operating a network marketing company recited in claim 1, further comprising the step of granting said retail outlet franchise to said qualified existing independent sales representative.

11. The method of operating a network marketing company recited in claim 1, further comprising the step of granting said retail outlet franchise to said persons who do are not otherwise entitled to open said retail outlet under said tiered compensation level system.

12. The method of operating a network marketing company recited in claim 1, wherein the goods and/or services sold are motor vehicles or parts or services related to motor vehicles.